COMPANY REGISTRATION NO. 196300438C

**For Immediate Release**

**NEWS RELEASE**

# UOL'S 3Q19 NET ATTRIBUTABLE PROFIT DOWN 7% TO $80 MILLION

- *Decline in profit due mainly to lower contribution from property development with completion of three projects*
- *Avenue South Residence is top-selling project in Singapore for September*
- *Steady outlook for new residential sales, office leasing and hospitality*

**Singapore, 12 November 2019** – UOL Group Limited today announced net attributable profit of $80 million for the third quarter ended 30 September 2019 (3Q19), down seven per cent due mainly to lower profit from property development.

Group revenue fell 10% to $476.6 million with lower progressive recognition of revenue from three development projects – Principal Garden, The Clement Canopy and Botanique at Bartley, which obtained temporary occupation permit in December 2018, March and April 2019 respectively. The revenue decline was partially offset by higher progressive recognition of revenue from Amber45 and The Tre Ver, as well as higher sales from the Group's management services and technologies segment. Revenue from property development fell 34% to $109.3 million.

Revenue from property investments rose one per cent to $137.4 million while that for hotel ownership and operations eased three per cent to $166.3 million due mainly to lower occupancies and room rates at Marina Mandarin and PARKROYAL Darling Harbour, as well as ongoing refurbishment works at PARKROYAL on Kitchener Road.

Revenue from management services and technologies rose 22% to $41.2 million while dividend income increased by 10% to $22.4 million due to higher dividends received from United Overseas Bank Limited.

Group expenses rose two per cent to $115.8 million in 3Q19. Marketing and distribution expenses increased 11% to $24.0 million due mainly to launch expenses for Avenue South Residence, and ongoing sales of Amber45, The Tre Ver, Mon Jervois and V on Shenton. Other operating expenses fell 11% to $32.1 million due to the absence of amortisation of development property backlog on units sold in The Clement Canopy. Finance expenses increased 14% to $29 million on higher interest expenses on borrowings for the Avenue South Residence development and for the acquisition of shares in Marina Centre Holdings Private Limited and Aquamarina Hotel Private Limited.

For the nine-month ended 30 September 2019, net attributable profit rose 19% to $347.8 million. During the same period, revenue fell five per cent to $1.73 billion. Pre-tax profit before fair value and other gains was also five per cent lower at $408.9 million. The decline was due mainly to the accounting reversal of development property backlog of $76.4 million and higher interest expenses on borrowings.

The Singapore residential market has shown signs of improvement with strong underlying demand. Avenue South Residence was the top-selling project in Singapore for September, with more than 400 units booked/sold since its launch in August 2019. Previously launched projects, Amber45 and The Tre Ver, have also been well received with 80% and 86% of total units booked/sold respectively.

UOL added that limited supply and tightening vacancy should support office rents in Singapore, although cautious sentiments from the weakening economic outlook could limit rental growth. Retail rents remain under pressure amidst weak retail sales and tepid economic growth.

Ongoing uncertainties in the United Kingdom over Brexit will continue to weigh on the London residential property market. However, leasing activities remain resilient in Midtown where the Group owns two properties.

UOL noted that international tourist arrivals to Asia and the Pacific grew by 6.2% in the first six months of 2019 according to the World Trade Organization. However, the protracted China-US trade tensions could moderate growth in international tourist arrivals to the region. Trading conditions for the Group's hotels in Myanmar and the People's Republic of China remain difficult.

As at 30 September 2019, shareholders' funds rose slightly to $9.86 billion from $9.62 billion as at the end of 2018. Consequently, net tangible asset per ordinary share increased to $11.63 from $11.27. Group gearing ratio increased to 0.30 from 0.28, due mainly to borrowings for the acquisition of shares in Marina Centre Holdings Private Limited and Aquamarina Hotel Private Limited.

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**About UOL Group Limited**

UOL Group Limited (UOL) is one of Singapore's leading public-listed property companies with total assets of about $20 billion. The Company has a diversified portfolio of development and investment properties, hotels and serviced suites in Asia, Oceania and North America. With a track record of over 50 years, UOL strongly believes in delivering product excellence and quality service in all its business ventures. UOL, through its hotel subsidiary Pan Pacific Hotels Group Limited, owns two acclaimed brands namely "Pan Pacific" and PARKROYAL. The Company's Singapore-listed property subsidiary, United Industrial Corporation Limited, owns an extensive portfolio of prime commercial assets and hotels in Singapore.

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